



Irish Life Weekly Investment Bulletin

The week that was – WEEK 34 (ending 25/08/2017)

"We build too many walls and not enough bridges." – Isaac Newton

Irish retail sales (ex motors) in July show annual increase of 7% – The Central Statistics Office reported that the volume of seasonally adjusted retail sales in July showed an annual increase of 2.1% with a monthly rise of 11.9% whereas if Motor Trades are excluded, there was a healthier rise of 7.0% in the annual figure.

Average Irish monthly rent now €1,159 – According to latest figures from property website DAFT.ie, rents rose nationwide by an average of 11.8% in the year to June 2017 with average monthly rent across the country during Q2 2017 being €1,159, the fifth quarter in a row that a new all-time record high has been set.

Global stock market up 0.7% on the week – The MSCI AC World TR Index showed a 0.74% rise from the 18th August to 25th August as U.S. tax reform media speculation resurfaced. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (VIX), dropped to 11.9 from 14.75 over the week.

Fed Chief defends financial regulations – U.S. Federal Reserve Chair Janet Yellen, speaking at the annual conference of economists and central bankers in Jackson Hole, put up a stout defence of the Dodd-Frank measures set up after the 2008 financial crash, rules which Donald Trump has described as a "disaster" and wants to repeal.

Trump threatens Congress with a government shutdown over border wall – President Donald Trump threatened a shutdown if Congress does not agree to fund construction of the promised wall on the Mexican border, which added a new complication to the Republican Party's struggles to reach a budget deal.

UK GDP growth of 0.3% in Q2 – The Office for National Statistics (ONS) reported that its latest estimate of UK GDP growth in the second quarter is 0.3%, with annual growth of 1.7%. The 0.3% growth represents the second slowest quarterly rise since the beginning of 2016, with only Q1 2017 showing a worse return.

The Story of the week: Controversy erupted about young pigs that were saved from a fire in southwest England earlier this year by firefighters now being served to their rescuers as sausages by the farmer. The 18 piglets and two sows were rescued in February after an electrical fault set hay on fire at a farm in Wiltshire. When the pigs were slaughtered, farmer Rachel Rivers said it was appropriate to give the firefighters some of the sausages to show her appreciation. "I'm sure vegetarians will hate this," Rivers told the BBC, explaining that farming was her way of life. In a Facebook post on Tuesday, a spokesman for Pewsey fire station had said; "We can tell no porkies, the sausages were fantastic," and thanked Rivers for her generosity. That post has now been removed and an apology made.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 25/08)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	10.9
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	3.0
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	7.0
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	6.8
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	10.6
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	16.4
Nikkei 225	22.9	56.7	7.1	9.1	0.4	1.8
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	20.8
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.0
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.2
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.0
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.7
Italy	4.6	4.1	2.1	1.6	1.8	2.1
Greece	12.7	8.2	9.6	7.9	7.1	5.5
Portugal	6.9	6.1	2.7	2.5	3.8	2.9
Spain	5.4	4.1	1.6	1.7	1.4	1.6
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.19
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.92
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.29
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance